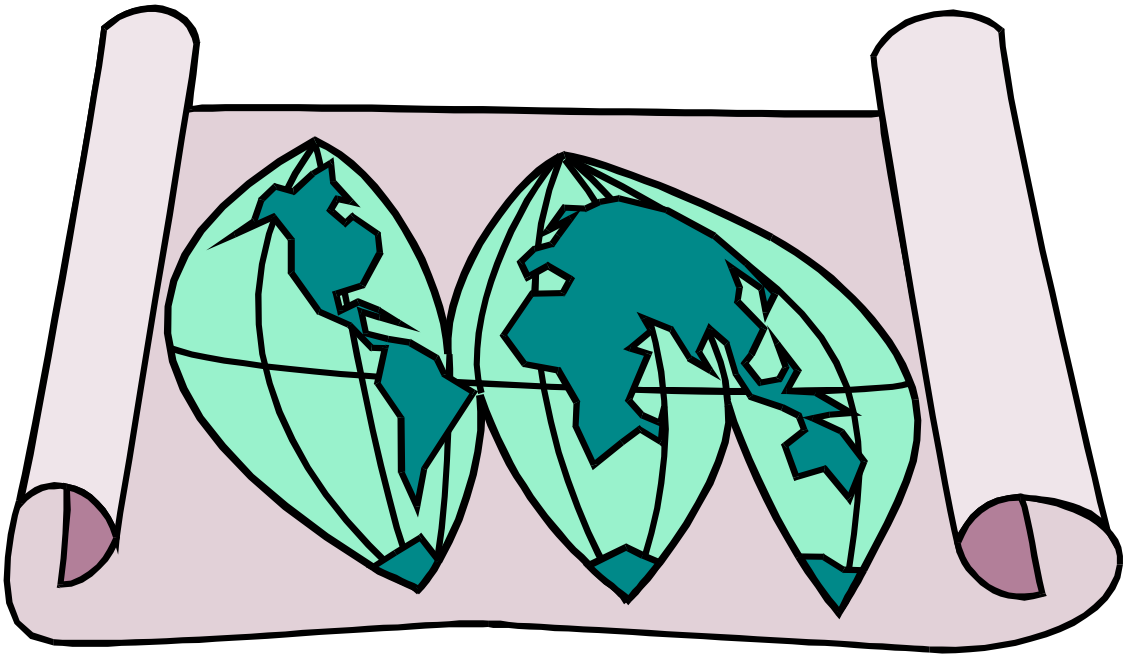
THE UNITED STATES
DEPARTMENT OF STATE
FY 1999-2000 PERFORMANCE PLAN



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SECRETARY OF STATE MADELEINE K. ALBRIGHT'S REMARKS ON THE INTERNATIONAL AFFAIRS BUDGET

WASHINGTON, D.C.
FEBRUARY 1, 1999

[The President's FY 2000 budget for international affairs] is a good budget, and I hope that every legislator who has urged stronger American leadership in one place or another or to address one problem or another will support it. Leadership requires resources. That's true whether we are trying to stabilize a financial crisis; prevent the spread of weapons of mass destruction; ease regional tensions; strengthen democratic institutions; or recruit top people to the diplomatic service.

We use Function 150 for these purposes and many, many others. Yet the total of what we spend for international affairs is equal to only about one percent of the whole federal budget. That one percent makes a huge difference in the day-to-day lives of all the American people. For our country, it can spell the difference between a future of stability, rising prosperity, and law, and a more uncertain future in which our economy and security are always at risk, our peace of mind is always under assault, and American leadership is increasingly in doubt.

Rather than go through a lot of numbers, let me highlight for you more generally some of the themes to be found in this year's funding request. First, this is a security budget, a budget to make our citizens safer. It would increase the amount we invest to control the export of advanced weapons technologies and to ensure that no nukes become loose nukes. It will fund programs to maintain stability on the Korean peninsula, keep the plague of drugs from our neighborhoods, and protect our citizens from the forces of international terror.

I want to highlight, in particular, our request for $3 billion in advance appropriations for enhanced security at our diplomatic missions. This reflects our determination to see that the tragic lessons of this past August in Kenya and Tanzania are not forgotten over time. The advance appropriation is a multi-year, multi-billion dollar commitment to improve security. It sends a message that no terrorist can prevent America from meeting its responsibilities around the globe.

Second, this is a peace budget. There are funds here to support peace processes in Bosnia, Northern Ireland, Guatemala, Peru, Ecuador, Africa – Great Lakes, and the Middle East, including implementation of the Wye River Memorandum. It also includes $50 million to support peace and rehabilitation in Kosovo.

Third, this is a prosperity budget. It is designed to promote American exports through the President's export initiative, contribute to sustainable development, and help our neighbors in Central America, the Caribbean, and Colombia recover from a series of devastating natural disasters.

Fourth, this is a freedom budget. It includes funds to solidify democratic transitions in critical areas of Central Europe and the New Independent States, and to support the building of democratic institutions in Africa, Asia, and the Americas.

Fifth, this is a human rights budget, reflecting values that our citizens cherish. It includes funds for a new child labor initiative, to support the rule of law, to help victims of torture, and to assist women in gaining fair access to the leverage of economic and political power.

And finally, this is a put-our-money-where-our-mouth-is budget. It asks that Congress provide funds to pay our arrears to the United Nations and other international organizations. These organizations serve our interests. By meeting our obligations to them, we do both the right thing and the smart thing for America.

I want to close simply by reemphasizing how important resources are to the success of American foreign policy and to the well-being of the American people. Since the Cold War's end, there has been a tendency to short-change our international programs and there is a grave danger in this. For we live in a time when, perhaps more than ever before in history, America is counted on to help resolve conflicts, cope with emergencies, overcome obstacles on the road to security, prosperity, and freedom.

We cannot respond ourselves to every flood, famine, or fight. We must insist that others do their share. But do not doubt that the forces of evil, ambition, and desperation that have roiled our globe in the past are still in evidence today. If we are but penny-wise and yield to the temptation of complacency, we will invite the dangers – both overt and latent – in the world to grow and spread. But if we are far-sighted enough to move along the path set out by the President's budget, we will give momentum to the positive forces of democracy and openness, hope, and respect for human dignity.

These are forces that have been embattled throughout the current century, but which we would like to see define the next. It is with this stark choice in mind that I will be making the case for the President's budget to Congress and the American people in the weeks and months ahead.

INTRODUCTION

This Performance Plan sets out the Department of State's performance targets for FY 1999 and FY 2000. It replaces the FY 1999 Performance Plan we submitted in February 1998. The Performance Report due in March 2000 will report results against the FY 1999 targets from this plan. The ongoing nature of the reorganization of the foreign affairs agencies precludes us from fully integrating the work of the United States Information Agency into the plan. Additional information on State, including the Strategic and Performance Plans and the Reorganization Plan and Report, is available on the Internet at www.state.gov.

THE ROLE OF THE DEPARTMENT OF STATE

The Department of State is the lead U.S. foreign affairs agency. It advances U.S. objectives and interests in shaping a freer, more secure, and more prosperous world through formulating, representing, and implementing the President's foreign policy. The Secretary of State, the ranking member of the Cabinet, and fourth in the line of presidential succession, is the President's principal advisor on foreign policy and the person chiefly responsible for U.S. representation abroad. Several related foreign affairs agencies – the Arms Control and Disarmament Agency (ACDA), the U.S. Information Agency (USIA), and the U.S. Agency for International Development (USAID) – are under the general direction and overall foreign policy guidance of the Secretary of State. Under the Foreign Affairs Reform and Restructuring Act of 1998, ACDA and USIA will be integrated into State and USAID will come under the Secretary of State's direct authority.

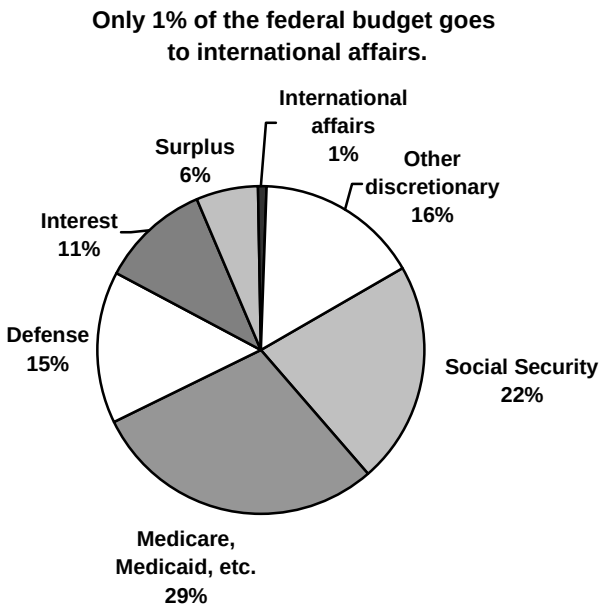
Helping to build and implement American foreign policy is not just another career choice. It is a service to America as important and – as 1998 so starkly demonstrated – often as risky as service within our armed forces.

U.S. leadership promotes and protects the interests of Americans by:

- Managing diplomatic relations, especially with the world's great powers and international institutions;
- Promoting peace and stability in regions of vital interest;
- Creating jobs at home by opening markets abroad;
- Facing an array of global challenges that no nation can meet on its own; and
- Providing services to Americans traveling and living overseas.

In addition to representing U.S. policy and interests around the world, State is the primary provider of foreign affairs information used by the U.S. Government in policy formulation. Information received from U.S. diplomatic posts – including in-depth analyses of the politics, economic trends, and social forces at work in foreign countries – is provided to some 60 federal agencies dealing with national security, intelligence, economic and commercial matters, or science and technology.

All foreign affairs activities and personnel costs are paid for by the foreign affairs budget. That budget is a real bargain for the American people. In fact, we spend just a little more than one percent of the total federal budget on foreign affairs – about 12 cents a day for each American citizen, in contrast to the approximately 18 percent spent on defense. Moreover, the entire international affairs budget has fallen by half in real terms since 1984, while State's responsibilities have expanded enormously to include combating threats like terrorism, nuclear smuggling, and international crime and narcotics trafficking, and to cover the numerous new nations that have come into being. The amount spent for foreign affairs activities and personnel actually represents a tiny fraction of the amount our nation earns from exports or of the amount it is forced to spend when foreign crises erupt into war. This small investment protects the interests of the American people and allows the United States to maintain its position of leadership.



STATE'S ORGANIZATION

State conducts all of its responsibilities with a relatively small workforce. State's American workforce is smaller than 10 of the 14 U.S. Cabinet departments. In fact, State employs fewer Americans than do local governments in Memphis or Baltimore.

State is headed by the Secretary, aided by the Deputy Secretary, Under Secretaries and Assistant Secretaries. State's Under Secretaries, chaired by the Deputy Secretary, act as the Corporate Board of key advisors to the Secretary. They oversee the activities of most of State's bureaus and offices, which are organized under them to support their

policy planning, coordination, and implementation activities. There are currently five Under Secretaries: for Political Affairs; Economic, Business, and Agricultural Affairs; Arms Control and International Security Affairs; Management; and Global Affairs. As part of the reorganization of the foreign affairs agencies, we will add a sixth, for Public Diplomacy and Public Affairs.

An Assistant Secretary (or the equivalent) runs each of State's regional, functional, and management bureaus. The regional bureaus coordinate the conduct of U.S. foreign relations in each of the world's regions:

- Bureau of African Affairs;
- Bureau of East Asian and Pacific Affairs;
- Bureau of East European and Eurasian Affairs (planned);
- Bureau of European Affairs;
- Bureau of Near Eastern Affairs;
- Bureau of South Asian Affairs; and
- Bureau of Western Hemisphere Affairs.

As part of State's reinvention, State has established the Bureau of Western Hemisphere Affairs, designed to strengthen the political and economic integration in our hemisphere. The bureau assumed responsibility from the Bureau of European and Canadian Affairs for the Office of Canadian Affairs and the diplomatic and consular posts in Canada, which are now combined with the existing offices and diplomatic posts in the Bureau of Inter-American Affairs. We will also propose the establishment of a new Bureau of East European and Eurasian Affairs which will be responsible for our relations with the independent states that were formerly republics within the Soviet Union.

The Bureau of International Organization Affairs coordinates U.S. relations with the United Nations and UN specialized and technical agencies.

Functional bureaus are responsible for the coordination of broad issue areas:

- Bureau of Consular Affairs;
- Bureau of Democracy, Human Rights and Labor;
- Bureau of Economic and Business Affairs;
- Bureau of Intelligence and Research;
- Bureau of International Narcotics and Law Enforcement;
- Office of the Legal Adviser;
- Bureau of Legislative Affairs;
- Bureau of Oceans and International Environmental and Scientific Affairs;
- Bureau of Political-Military Affairs;
- Bureau of Population, Refugees and Migration; and
- Bureau of Public Affairs.

As part of the reorganization of the foreign affairs agencies, we will establish the following new functional bureaus:

- Bureau of Arms Control;
- Bureau of Nonproliferation; and
- Bureau of Information Programs and International Exchanges.

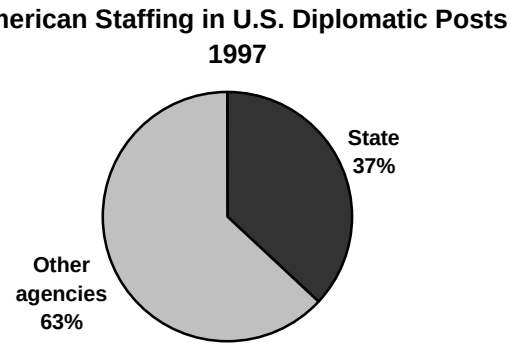
Regional and functional bureaus work together to address issue areas globally, regionally, and bilaterally.

Management bureaus provide the administrative support infrastructure upon which the success of U.S. foreign policy implemented by State and other U.S.G. agencies depends:

- Bureau of Administration;
- Bureau of Diplomatic Security;
- Bureau of Finance and Management Policy;
- Foreign Service Institute;
- Bureau of Information Resources Management; and
- Bureau of Personnel.

There are also a number of small, specialized offices, usually reporting directly to the Secretary, with responsibility for an issue of high profile importance, such the Coordinator for Counter Terrorism and the Office of the Special Adviser to the President and Secretary for NATO enlargement Ratification.

State's domestic staffing, however, is only one part of our organization, and a small part of it at that. Our domestic infrastructure exists to support the work of the United States' overseas diplomatic missions. Therefore, about two-thirds of all State American employees work overseas. To make our actions felt globally, we must maintain a global presence, global reach, and global expertise. There are 190 independent states in the world. The United States has diplomatic relations with virtually all of them. To further this global web of bilateral and multilateral relationships, State maintains more than 250 diplomatic and consular posts, including some 160 embassies, 75 consulates and consulates general, 10 missions to international organizations, and a handful of other small posts. Our diplomatic posts employ about 19,000 Americans full-time, as



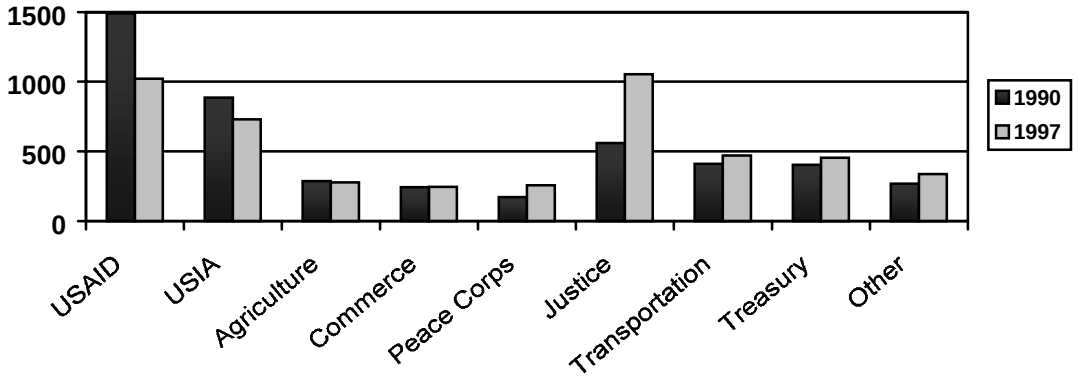
well as thousands of foreign national employees, American and foreign contractors, and American employees' family members. Two out of three employees in our diplomatic posts work for a U.S.G. agency other than State; an embassy with a majority of State employees is the exception rather than the rule.

Country missions and missions to international organizations are headed by Chiefs of Mission, who are generally Ambassadors. Chiefs of Mission are the President's personal representatives and, with the Secretary of State, assist in implementing the President's constitutional responsibilities for the conduct of U.S. foreign relations.

The Chief of Mission and the Deputy Chief of Mission are responsible for, and head the mission's Country Team of U.S.G. personnel. The Country Team includes diplomatic officers representing consular, administrative, political, economic, and public diplomacy, as well as the representatives from agencies other than State, such as the Departments of Agriculture, Commerce, Defense, and Justice. These are the people responsible for the day-to-day work of the mission. In most countries with which we have diplomatic relations, the United States maintains an embassy, usually located in the host country's capital. The United States may also have consulates in other important cities. In a few special cases – such as when we do not have full diplomatic relations with a country – the United States may be represented by only a U.S. Liaison Office or U.S. Interests Section, as in Cuba.

Although the overall size of the U.S. Government's overseas diplomatic presence has remained stable over the years, its composition and location has changed dramatically in the last ten years. USIA and USAID, two "traditional" foreign affairs agencies, have experienced significant cuts in their overseas employment. Some agencies generally thought of as "domestic" have expanded their overseas presence dramatically, particularly the law enforcement agencies in the Departments of Justice and the Treasury.

Non-State and Non-Defense American Staffing in U.S. Diplomatic Posts, FY 1990 and FY 1997



In the past decade, changing foreign policy priorities have required the opening and staffing of new posts, changes in the staffing levels of existing posts, and the closing of other posts. While the overall number of diplomatic and consular posts has remained about the same throughout the 1990s, we have *opened* almost 40 posts and *closed* about the same number. U.S.G. staffing levels have grown in Europe and Eurasia, reflecting the end of communism and the breakup of the Soviet Union. They have fallen in other parts of the world, particularly in Africa and South Asia. As recently as 1970, there were fewer embassies (117) than other types of posts (131). Today, we have almost twice as many embassies (161) as missions, consulates general, consulates, and branch offices combined (92).

The FY 2000 budget request translates the need for maintaining our domestic and overseas presence as outlined above into resource requirements.

STATE'S STRATEGIC PLANNING STRUCTURE

State's 1997 Strategic Plan outlines our core role and identifies how we contribute to achieving the strategic goals identified in the 1997 International Affairs Strategic Plan, which embraces the full universe of the U.S. Government's activities abroad without reference to specific agencies. Other agencies with overseas responsibilities have their own Strategic Plans that are consistent with the International Affairs Strategic Plan.

The State Strategic Plan identifies seven **National Interests** in international affairs:

- *National Security*
- *Economic Prosperity*
- *American Citizens and Border Security*
- *Law Enforcement*
- *Democracy*
- *Humanitarian Response*
- *Global Issues*

From these seven national interests flow 16 **Strategic Goals**:

- *Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.*

- *Eliminate the threat to the United States and its allies from weapons of mass destruction and destabilizing conventional arms.*

- *Open foreign markets to free the flow of goods, services, and capital.*

- *Expand U.S. exports to $1.2 trillion early in the 21st Century*. (Note: this replaces the 1997 formulation *Expand U.S. exports to $1.2 trillion by 2000.*)

- *Increase global economic growth.*
- *Promote broad-based economic growth in developing and transitional economies.*
- *Enhance the ability of American citizens to travel and live abroad securely.*
- *Control how immigrants and non-immigrants enter and remain in the United States.*
- *Minimize the impact of international crime on the United States and its citizens.*
- *Reduce significantly from 1997 levels the entry of illegal drugs into the United States.*
- *Reduce international terrorist attacks, especially against the United States and its citizens.*
- *Increase foreign government adherence to democratic practices and respect for human rights.*
- *Prevent or minimize the human costs of conflict and natural disasters.*
- *Secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.*
- *Stabilize world population growth.*
- *Protect human health and reduce the spread of infectious diseases.*

As our planning process continues to evolve, we recognize the shortcomings in the wording of our strategic goals and the need to reflect better the reorganization of the foreign affairs agencies. For the most part they are formulated as broad statements of policy rather than outcomes, making measurement of goal achievement difficult. We will address this and other weaknesses of the 1997 Strategic Plan as we prepare our revised update over the next 18 months.

In pursuing the preceding goals, State conducts Diplomatic Activities and Public Diplomacy. **Diplomatic Activities** are those actions that are common to all diplomatic missions, e.g., negotiations, demarches, reporting and analysis, representational functions, VIP visit support, and internal political reporting. These activities can occur in support of specific strategic goals, such as a representational event connected with a trade mission or supporting a Congressional delegation focussed on human rights issues. As often as not, however, Diplomatic Activities (representational events, support for visiting Congressional delegations, or internal political reporting) may be pursued in support of

all strategic goals, in that they contribute to good personal or embassy-wide contact relationships or develop information useful across a wide spectrum of U.S.G. interests.

Public Diplomacy – the action of engaging foreign audiences and opinion makers through information and exchange programs – has been the responsibility of USIA. It will be a core responsibility of the new, reinvented Department of State. We cannot take for granted that our behavior in the world is widely understood or supported, even by our allies. U.S. interests and security are jeopardized by misunderstandings, innocent or deliberate, about our interests and our willingness to defend those interests. Public diplomacy addresses and corrects such misunderstandings. Most Public Diplomacy strategies and activities support specific goals. Many Public Diplomacy activities, however, have a more general intent and support the mission's ability to achieve all strategic goals by creating a foundation of trust and facilitating the free flow of information.

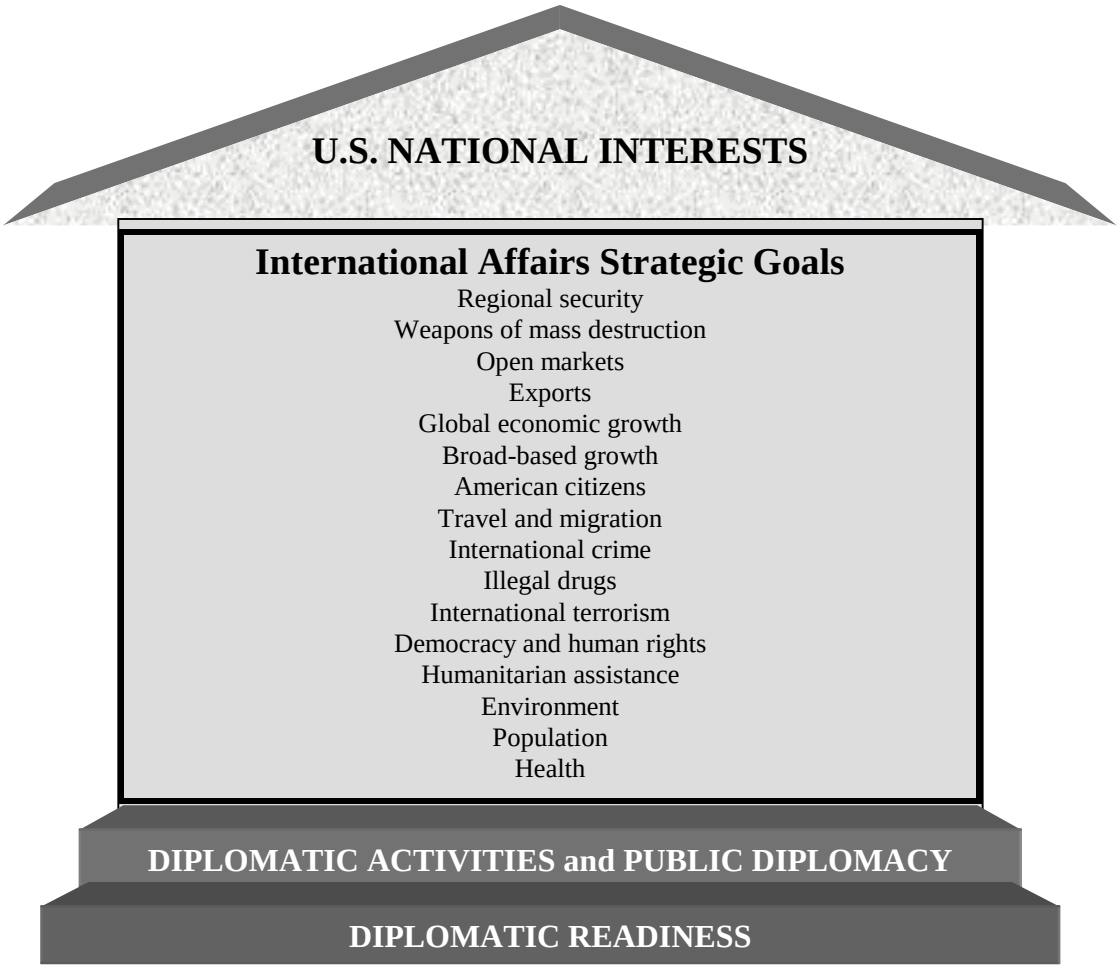
Underlying the ability of State and other agencies to pursue our strategic goals, diplomatic activities, and public diplomacy internationally is **Diplomatic Readiness**. Diplomatic Readiness captures the personnel, resources, and infrastructure State needs to carry out its own mission and to support other U.S.G. agencies abroad in pursuing theirs. State has identified three Diplomatic Readiness goals which are comparable to the 16 strategic goals:

- *Enable the U.S. Government to achieve foreign policy objectives and respond to international crises by cultivating a skilled, motivated, diverse, and flexible workforce.*

- *Strengthen the ability of the United States to achieve its International Affairs goals and respond to crises through effective and efficient information resources management and information systems.*

- *Establish and maintain infrastructure and operating capacities that enable employees to pursue policy objectives and respond to crises.*

The following illustration depicts State's overall strategic planning structure: the supporting base of Diplomatic Readiness, the Diplomatic Activities and Public Diplomacy underpinning the strategic goals, the strategic goals, and the overarching national interests.



STATE'S FY 1999-2000 PERFORMANCE PLAN

The FY 1999-2000 State Performance Plan represents the culmination of the year-long planning cycle. As a first step, in early 1998 each mission prepared a Mission Performance Plan (MPP) that laid out the goals and objectives that the Country Team would pursue over the next two years, within the framework of the International Affairs Strategic Plan, and the resources necessary to accomplish them. Because State is only one of the agencies represented in our missions, MPPs are truly interagency documents. After interagency reviews by Washington headquarters, agreement was reached between Washington and each post on the final contents of its MPP.

The MPPs in turn served as building blocks for the FY 2000 Bureau Performance Plans (BPPs). Each bureau developed a BPP that defined long-range goals and short-term objectives in the bureau's area of responsibility, including the necessary resources. Using the BPPs, the Assistant Secretaries led presentations to the Secretary or the Deputy Secretary, with the participation of other agencies, to make a case for the resources they need to carry out their goals. In the course of these reviews, the Secretary made clear her priorities.

A drafting team drawn from management staff was charged with preparing the FY 1999-2000 State Performance Plan. The team reviewed all BPPs to identify areas of focus for inclusion in the Performance Plan. The team then worked closely with individual bureaus from initial drafting through final plan completion.

The FY 2000 BPPs did not show as much improvement over previous years as we had expected. The weaknesses of the BPPs unavoidably translate to the agency level. To help address this issue, we decided in spring 1998 to focus on State's management bureaus first, on the assumption that their work lends itself more easily to measurement than State's foreign policy offices. We worked closely with them as they prepared their BPPs and, for the first time, provided written feedback on their plans. The results of those efforts can be seen in the Diplomatic Readiness section of this plan. We will continue to work with the management bureaus to improve further. The next step will be to make the same effort with the regional and functional bureaus. Over time, this steady commitment of effort will produce consistently improved plans at all levels of the organization, including those plans required under the Government Performance and Results Act (GPRA).

State's planning process is still not well entrenched. Managing for results, as envisioned by the GPRA, represents a different way of doing things at State. To many people, planning appears to be a paper exercise with no connection between the plans they prepare and the budgets they receive. This perception can be found at the mission level, at the bureau level, and at the agency level. Furthermore, because what we do is influenced to such a large degree by forces outside our control (e.g., other governments, the global economy, random terrorism, and natural disasters), many people believe it is unreasonable to hold them accountable for performance based on a plan. State is a decentralized organization, making it even more important than in many other agencies to have employees at all levels agree that planning and managing for results are desirable and doable. We continue to work toward this goal.

The FY 1999-2000 State Performance Plan is organized by the strategic and diplomatic readiness goals in the State Strategic Plan. It differs from last year's Performance Plan in two significant ways:

1. We have included discussions of a number of topics that received superficial or no attention in the FY 1999 plan, and

2. We have structured the plan to provide an inventory of issues/goals for each national interest goal, while providing <u>one</u> illustrative "goal paper" for most of the 16 strategic goals outlining the full range of objectives/strategies/assumptions/ indicators under that goal.

For the "diplomatic readiness" goals, we have provided the full range of relevant goal papers. Thus, there is one performance goal for most of each of the 16 strategic goals, and 15 performance goal papers for the three diplomatic readiness goals.

For the strategic goals, we have structured each paper at two levels: an "Outcome Desired" which states how we want the world to look, and a "Performance Goal" that captures what State can accomplish. Doing so makes a better link between what State is doing and the broadly stated strategic goal. For example, one of the strategic goals is "Ensure that local and regional instabilities do not threaten the well-being of the United States or its allies." That strategic goal is pursued in all the regions of the world, regarding many different local or regional conflicts and instabilities. In our illustrative paper on Northern Ireland, the performance goal is "The Department of State will minimize factors inhibiting implementation of the [Good Friday 1998] peace agreement." To make clearer how that performance goal relates to the strategic goal, we added the outcome desired – "Great Britain, Ireland, and Northern Ireland implement the Good Friday 1998 peace agreement."

State's ability to advance the foreign policy interests of the United States – including supporting the overseas roles of the other U.S.G. agencies abroad – depends upon the quality of State's diplomatic platform, i.e., adequate administrative processes, personnel, information technology, and infrastructure. The Diplomatic Readiness goals highlight State's objectives in these areas. Because the Diplomatic Readiness goals are much more under our control than the strategic goals , it is not necessary to create the intermediate "Outcome Desired" level. The 15 goal papers for Diplomatic Readiness therefore include only a performance goal.

Every goal paper has a strategy section, external factors, and areas of focus for FY 1999-2000. The **strategy** section provides background and context, and outlines the means by which we will accomplish the performance goal. We have identified those **external factors** that will have major impact on our ability to achieve the goal. The **areas of focus** highlight what we intend to do in the planning period, and identify the State bureaus and other agencies that have responsibility for the goal.

In many cases, the indicators measure the outcome desired rather than the State performance goal, as in the Northern Ireland example. Looking only at things like the number of meetings held or demarches delivered is unlikely to show progress toward achieving a performance goal. Where possible, we have used quantifiable indicators or milestones (e.g., treaty ratification). In several papers, we have experimented with an "alternative form of measurement," i.e., statements of "successful" and "minimally effective" performance. We have added an "unsuccessful" statement that helps to clarify the meaning of the "minimally effective" description. The Office of Management and Budget, after reviewing an earlier draft of the regional stability paper on Northern Ireland, commented:

> The performance measures proposed appear solid and are commendable alternative (non-quantitative) measures. The introduction of an unsuccessful level of performance as a counterpoint to the successful and minimally effective levels adds a new and very useful dimension, particularly as the unsuccessful level is crafted in a distinctive and distinguishing way, and not just stated as a simple opposite to the successful level.

Each indicator includes an **FY 1998 baseline**, which describes the current situation, and **FY 1999 and FY 2000 targets.** We have also identified a **data source** for each indicator.

A criticism of last year's plan was that it was too short and uninformative. This is true. In considering how to prepare the FY 1999-2000 plan, however, we quickly concluded that doing the full range of necessary goal papers with the proper level of detail would produce a performance plan with more than 600 pages. Therefore, for the strategic goals, we decided to prepare only a limited number of goal papers, all of which are included in the plan. We are well aware that doing this does not provide a complete picture of State's planned FY 1999 and FY 2000 activities for our 16 strategic goals. Over the next few months, we will continue to consider how we can present a comprehensive statement of State's goals and objectives without producing a document so voluminous that it is useless. We welcome suggestions from the Congress, the General Accounting Office, OMB, and other interested parties on how to accomplish this.

Another criticism of last year's plan was the absence of credible and verifiable data used to assess performance. We have taken a first step to address the issue by identifying data sources and the organizational units responsible for them for each indicator in this year's plan. We do not have good data sources across the board. Some, for example, are formulated vaguely as "Bureau X records." State continues to lack a centralized database in which to track performance data. Obviously this an area to which we must give additional attention in the coming years.

The FY 2000 budget submissions for the Commerce, Justice, State and Foreign Operations appropriations provide more detailed performance information broken out by individual bureaus and by region respectively. Those documents provide the underlying framework that supports the goals and objectives contained in this Plan.

State works closely with other agencies in pursuing the U.S. Government's overall international affairs strategic goals. Therefore, the State plan should be viewed in association with other departments' and agencies' plans.

HOW WE HAVE ADDRESSED CRITICISMS OF THE FY 1999 PLAN

State's FY 1999 Performance Plan was not well received, as evidenced most clearly in the April 22, 1998 letter from the Chairman of the House Committee on International Relations and the Chairman of the HIRC's International Operations & Human Rights Subcommittee to the Secretary of State. The letter said *inter alia*:

> The most troubling problems with the Performance Plan are its general lack of measurable indicators of performance and its complete lack of both baseline data and specific goals. There is also little information linking resources to goals. Under the plan as presented, there is simply no way for you, the President, or the Congress to know whether the Department is making any progress at all toward your goals. The Department needs to hold its managers accountable for results, and Congress needs to be able to hold the Administration accountable for the funds it spends and the assets it encumbers.

The Congressional review of State's FY 1999 plan gave it a score of 24 out of 100 points, ranking State third from last among the 24 agencies rated. We have listed below the major criticisms the Congress and GAO had of the FY 1999 plan and how we have addressed them in the FY 1999-2000 plan.

FY 1999 Performance Plan:	In the FY 1999-2000 Plan
Had no indicators with baselines and targets.	Every indicator has baselines and targets. The quality is uneven, but moves us well beyond last year.
Omitted management initiatives (e.g., modernization of information management infrastructure and asset management).	We have 15 Diplomatic Readiness performance goals addressing management initiatives.
Had goals that were broadly stated and extended beyond State's span of control, so that assessing results would be difficult.	This is not an issue for the Diplomatic Readiness goals, which are largely within State's span of control. In the specific goal papers prepared for the strategic goals, we crafted an intermediate level of "Outcome Desired" between the strategic goal and the State performance goal. This permits the performance goal to focus on activities over which State has more control.
Was unclear as to how State coordinates with other agencies or how activities of other agencies contribute to State's performance goals.	We have tried to make appropriate references to other agencies, including a table providing a matrix of goals, agencies, and accounts.
Did not provide enough information to link State's activities identified in the President's budget with specific performance goals.	We have included budget data by strategic and diplomatic readiness performance goal.

FY 1999 Performance Plan:	In the FY 1999-2000 Plan
Did not clearly describe how strategies and resources help to achieve the performance goals.	We have tried to do better at linking strategies and resources to the goals.
Did not provide sufficient information on the strategies and external factors associated with achieving State's performance goals.	We have expanded the description of strategies and external factors.
Provided little information on the resources required to achieve specific performance goals.	We have included resources for each Diplomatic Readiness performance goal and for each of the 16 strategic goals.
Did not discuss how State will verify and validate information used to assess its performance.	We have identified data sources and the organizational units responsible for them for each indicator. We do not have good data sources across the board. Some, for example, are formulated vaguely as "Bureau X records."
Did not address how known deficiencies in State's financial and accounting, and information management systems will impact performance measurement.	This remains a major issue.
Did not identify any significant data limitations that may affect achievement of State's goals.	This remains a major issue.

STATE DEPARTMENT MISSION STATEMENT

U.S. diplomacy is an instrument of power, essential for maintaining effective international relationships, and a principal means through which the United States defends its interests, responds to crises, and achieves its international goals. The Department of State is the lead institution for the conduct of American diplomacy, a mission based on the role of the Secretary of State as the President's principal foreign policy advisor.

In order to carry out U.S. foreign policy at home and abroad, the Department of State:

- Exercises policy leadership, broad inter-agency coordination, and management of resource allocation for the conduct of foreign relations;
- Leads representation of the United States overseas and advocates U.S. policies to foreign governments and international organizations;
- Coordinates, and provides support for, the international activities of U.S. agencies, official visits, and other diplomatic missions;
- Conducts negotiations, concludes agreements, and supports U.S. participation in international negotiations of all types;
- Coordinates and manages the U.S. Government response to international crises of all types;
- Carries out public affairs and public diplomacy;
- Reports on and analyzes international issues of importance to the U.S. Government;
- Assists U.S. business;
- Protects and assists American citizens living or traveling abroad;
- Adjudicates immigrant and non-immigrant visas to enhance U.S. border security;
- Manages those international affairs programs and operations for which State has statutory responsibility;
- Promotes understanding, informs, and influences foreign publics, and broadens dialogue between American citizens and institutions and their counterparts abroad; and
- Guarantees the Diplomatic Readiness of the U.S. Government.

Most of the time, State personnel in the United States and abroad carry out these core diplomatic activities in pursuit of specific goals. Some on-going responsibilities are essential to the conduct of effective international relations and contribute to all international affairs goals, for example maintaining contacts and access overseas, or supporting official visits. Similarly, State's management functions provide the foundation of support essential for maintaining U.S. diplomatic readiness around the world.

At posts overseas, the Ambassador reports to the President through the Secretary of State, and as Chief of Mission has authority over all U.S. executive branch personnel, except for those under a U.S. area military commander. The Country Team, led by the Chief of Mission, is the principal coordinating body for all U.S. Government agencies represented at overseas Missions. As the lead agency abroad, State manages U.S. Embassies, Consulates, and other diplomatic posts, and supports the international activities of the rest of the U.S. Government.

The world is more complex and the conduct of international relations is more demanding than ever before. Successful diplomacy requires deep understanding of the international environment and careful application of influence, persuasion, and negotiation. These are particular strengths of the Department of State.

As long as U.S. international leadership requires a universal presence overseas, State will have a core responsibility to maintain the Diplomatic Readiness of the U.S. Government. This means ensuring that resources are adequate, matched to priorities, and are used effectively to put the right people in the right places, with the security and support needed for them to defend national interests and achieve U.S. goals.